

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON HUMAN SERVICES

Call to Order: By **CHAIRMAN BILL THOMAS**, on February 12, 2001 at 3:00 P.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Bill Thomas, Chairman (R)
Rep. Roy Brown, Vice Chairman (R)
Rep. Trudi Schmidt, Vice Chairman (D)
Rep. Tom Dell (D)
Rep. John Esp (R)
Rep. Tom Facey (D)
Rep. Daniel Fuchs (R)
Rep. Dennis Himmelberger (R)
Rep. Larry Jent (D)
Rep. Michelle Lee (D)
Rep. Brad Newman (D)
Rep. Mark Noennig (R)
Rep. Holly Raser (D)
Rep. Diane Rice (R)
Rep. Rick Ripley (R)
Rep. Clarice Schrumpf (R)
Rep. Jim Shockley (R)
Rep. James Whitaker (R)

Members Excused: None.

Members Absent: None.

Staff Present: David Niss, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 484, HB 494, HB 486,
2/9/2001
Executive Action: HB 352, HB 337, HB 344, HB 478

HEARING ON HB 484

Sponsor: REP. JOAN HURDLE, HD 13, Billings

Proponents: Dr. Donald Harr, Billings, Mt. Medical Assn. and Mt. Psychiatric Assn.

Bill Kennedy, Yellowstone County Commissioner

Kathy McGowan, American Cancer Society

Verner Bertelsen, Mt. Sr. Citizens' Assn.

Susan Witte, Blue Cross/Blue Shield of Montana

Steve Yeakel, Mt. Council for Maternal and Child Health

Cliff Christian, American Heart Assn.

Sami Butler, Mt. Nurses' Assn.

Bob Pancich, A.A.R.P.

John Flink, M.H.A.

Jani McCall, Deaconess Billings Clinic

Jim Smith, Mt. Pharmacy Assn.

Opponents: None

Opening Statement by Sponsor:

REP. JOAN HURDLE, HD 13, Billings said that this bill is similar to HB 96 on the tobacco settlement funds; however, this bill has changed percentages, which have been changed again since the bill was drafted. It also requires that it be put on the ballot so the people can vote on it, which takes pressure off the current budget. She thinks that the people of Montana believe that the tobacco award settlement funds should be spent on health-related things. With the proposed amendments, the money going to counties is 10 percent, or \$3 million; and tobacco use prevention is 15 percent, or \$4.5 million. The allocated 10 percent to the counties no longer is designated to go to the county health departments. The allocation to CHIP and medicaid goes up to 15 percent or \$4.5 million.

Since the 2001 legislative session started, an estimated 240 Montana kids have begun to smoke, and tobacco companies have spent an estimated \$1.8 million in advertising and marketing their products to the kids of Montana. Every state is required to have a master settlement agreement between the states and the tobacco industry. It creates an unprecedented opportunity for using tobacco revenues to fund critical programs and services. The settlement first reviews the basic physical terms and the magnitude of the expected revenues, as well as the actions that states must take to assure receipt of their allotment. Each state's annual allotment represents a fixed share of the total payments to be made by tobacco companies in that year. The state shares are based on a

complex formula, that accounts for each state's total historical health spending. Total annual payments will be determined by adjusting a base amount by a number of factors, including the consumer price index and the amount by which domestic tobacco production declines. There is uncertainty about the precise amount the state will receive, which is why the estimates in this bill are based on the nice round figure of \$30 million. Actually Montana received more like \$35 million in the last year.

According to information obtained from the National Conference of State Legislatures, by late 1999, 37 states had enacted the model statute which is required to get any settlement funds, 19 states had enacted laws to place the funds in trust funds, and four states had enacted laws to place some or all of the funds in endowments. 23 states had enacted enabling legislation or appropriation acts concerning how the money should be spent. The specificity of these laws varies greatly. Nearly all states have chosen to segregate these funds to some extent. Rather than creating new financial structures for managing the funds, some states plan to place the money in the general fund or existing funds, in which case expenditures would be determined through the regular appropriations process. Most states have put special restrictions upon the tobacco settlement funds, so it is perfectly appropriate for this legislature to ask Montanans if they believe that these funds should be spent on health care, and that's what this bill would do. **EXHIBIT(huh35a01) EXHIBIT(huh35a02) {Tape : 1; Side : A; Approx. Time Counter : 1.8 - 9.9}**

Proponents' Testimony:

Dr. Donald Harr, Billings, Mt. Medical Assn. and Mt. Psychiatric Assn., supports this bill on the basis of several features, mainly because persons in the health fields are in favor of tobacco settlement funds being designated for health care usage. The bill addresses concerns of children around the state, not only as far as health care is concerned but in preventing further tobacco use as much as possible.

Bill Kennedy, Yellowstone County Commissioner, referred to the 10 percent allocation to the Dept. of Revenue for the counties and asked the committee to make sure that the dollars are allocated to the counties to be disbursed at the county level by the county commissioners.

Kathy McGowan, American Cancer Society, said that the bill supports health care, as they believe the settlement dollars were intended, and it supports a comprehensive program for prevention. This bill looks like a good idea to them.

Verner Bertelsen, Mt. Sr. Citizens' Assn., said the association was among those who worked very diligently to get the initiative passed, and they had a strong opinion of the people they talked to that they were making a mistake in not putting a hundred percent of the money into the trust. That is the same attitude expressed by people who called in to a recent public service broadcast. If this initiative is allowed to be presented to the people, they will vote for it overwhelmingly, so he urges support.

Susan Witte, Blue Cross/Blue Shield of Montana, said BC/BS supports the idea behind this bill, to allocate tobacco settlement trust fund monies to health care. One of the programs that could benefit under this bill is the Children's Health Insurance Plan. BC/BS has been working in a public/private partnership with the Dept. of Public Health and Human Services to provide health care coverage to Montana's uninsured children through Blue Chip, which is the Children's Health Insurance Program.

Steve Yeakel, Mt. Council for Maternal and Child Health, said they are in strong support of this bill, for many of the same reasons that they supported HB 96. He said a part of him is anxious to "test the waters" to see what the Montana public thinks after tobacco has been ballyhooed at the legislature, so there is some intrigue about putting the issue on the ballot. On the other hand, the strong support of the Montana public for tobacco issues has been almost unmistakable, so it is with some confidence that he asks the committee to put this on the ballot and let the voters decide what should be done with the money.

Cliff Christian, American Heart Assn., said he seconds everything Mr. Yeakel said. He suspects that the 74 percent vote on the last referendum would be much higher if people were given the chance once more to support tobacco settlement money for health issues, and the association is very pleased to see Rep. Hurdle increasing the tobacco prevention program from 10 to 15 percent.

Sami Butler, Mt. Nurses' Assn., said that surveys have indicated that health care is the number one issue for the majority of Montanans, and the over 11,000 registered nurses in the state strongly support this bill.

Bob Pancich, A.A.R.P., said they support this bill and urge its passage.

John Flink, M.H.A., said their association represents hospitals, nursing homes and mental health care providers, and they add their support for this bill. The tobacco settlement offers a unique opportunity to invest in health care. They believe that the voters

of the state will approve this if they have the opportunity to do so.

Jani McCall, Deaconess Billings Clinic, said they are strongly in favor of this bill. They believe that the tobacco trust fund should be spent on health care. HB 96 was a good bill and maybe this one is even better. The people have already spoken, saying this is something they support. What risk is there now to take it back to the people again to get their vote.

Jim Smith, Mt. Pharmacy Assn., said their members became involved in the tobacco cessation debate when brand name prescription drug products for cessation became available. Since that time, they have supported CI 35, which put 40 percent of the money into a trust fund. They did not support HB 96, feeling that it was awfully prescriptive, but as the session goes in, it looks as though HB 484 is the only vehicle left that stands a good chance of insuring that the remaining 60 percent of the tobacco settlement are allocated to health care.

{Tape : 1; Side : A; Approx. Time Counter : 9.9 - 19.6}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

Rep. Noennig said he was having a hard time following the chart with percentages and the two amendments in the bill, and he asked the sponsor where the MCHA five percent appears in the bill or the amendment. **Rep. Hurdle** said they would have to use the other set of amendments that were used on HB 96. The percentages changed from the previous amendment. **Rep. Noennig** asked if it was amendment 3. **Rep. Hurdle** said yes, and there is also an amendment 8, which is not on the committee's list of amendments. This amendment changes the 10 percent on page 2, line 3, to 15 percent.

Rep. Facey asked the sponsor why she picked the effective date of January 1, 2003. **Rep. Hurdle** said we need the money for this biennium. The money is spent. She was presumptive in bringing HB 96 to the committee, thinking we could allocate the tobacco money. This time we seem to have shorted ourselves and our health programs, and we don't have the money right now. The idea is to put this on the ballot and that gives time to prepare for the fact that the people of Montana want this money spent on health. **Rep. Facey** said it would be on the ballot in November of 2002, so that would give seven more months to do some planning. **Rep. Hurdle** said yes, it would give time for planning and more time for it to go into effect.

Rep. Noennig asked the sponsor which of the expenditures would she expect to be available for federal fund matching or leverage, and to what extent. **Rep. Hurdle** said CHIP medicaid would be at an 80 percent match, and she isn't sure of the percentages on the others. **Rep. Noennig** said CHIP medicaid is a four to one match, but could she at least tell him which ones she knows of actually do have federal funds available for them, even if she didn't know the amounts. **Rep. Hurdle** said she would be guessing. **Rep. Noennig** asked why she left five percent for the general fund. **Rep. Hurdle** said there may be costs involved in this that she doesn't know about, and she felt that was the right thing to do. **Rep. Noennig** wondered if anyone else could respond to his question about federal funding. **Steve Yeakel** said he was willing to take an educated guess at it. He said that on the tobacco use prevention, he thinks he's heard that CDC will match the dollars that are involved. CHIP is a four to one match; medicaid is roughly a 77 to 23 match. Some of the dollars that have been used in counties for health care services have been found to be matchable, so there is a possibility of some 50/50 match there. There may be some mental health dollars that might be matchable for medicaid too. MCHA dollars are not matchable.

Rep. Brown said that on the second page of the fiscal note, under technical note #1, it states that "in order to use these dollars for CHIP, we must raise the federal poverty level from 150 percent to 200 percent," and he asked the sponsor to explain that. **Rep. Hurdle** said we have talked about raising the poverty level, but also she thinks that the people who wrote the fiscal note are using only CHIP and the percentage is CHIP/medicaid, so we could do whatever would work the best for us. That funding has more flexibility. **Rep. Brown** asked if what she was saying was that if we don't raise the federal poverty level from 150 to 200 percent, then all the money would go to medicaid instead. **Rep. Hurdle** said not all. It gives flexibility to work it out the best way possible between CHIP and medicaid. Last session's original appropriation to CHIP was worded that way: CHIP/medicaid. The programs are growing closer together; using the same application, children qualify for one who don't qualify for the other. The flexibility is needed to work between those two things. **Rep. Brown** asked what the meaning was on page 1, line 29, where it says "use the available funds to provide school nursing and child case management to the fullest extent possible." **Rep. Hurdle** said there are some possibilities of leveraging other money with this. Teachers in inner-city schools feel that many children fall through the cracks. Years ago public health departments used to provide nurses for the schools, but the school districts have taken that over. They focused on education, so services have been cut back. Now the nurses barely can keep track of immunization records and respond to emergencies. If public

health nurses get involved in schools again, they may be able to leverage money from the school districts in addition to federal and other money for case management and direct care for kids.

Rep. Fuchs said one of the arguments he has heard is that Montana taxpayers have subsidized smokers for years, and they feel like they've been robbed of those dollars that could have gone to education or college or whatever, and he wondered what the sponsor's response was to that type of argument. **Rep. Hurdle** said it is correct that Montana taxpayers have subsidized the problems with smoking, which is the basis of the settlement funds. She believes that one of the biggest problems is that in subsidizing the smokers and spending so much money, Montana has neglected the health care of our children. *{Tape : 1; Side : A; Approx. Time Counter : 19.9 - 30.6}*

Rep. Thomas asked about line 6, page 2 of the bill, where it discusses direct services to children in coordination with school nursing, and how they would evaluate that. Some of the schools in his district have no school nursing programs. **Rep. Hurdle** said this has been changed through the amendments, and money would be allocated to counties through the Dept. of Revenue. The counties would determine the local needs but at a minimum shall use the available funds to provide health-related child case management to the fullest extend possible. *{Tape : 1; Side : B; Approx. Time Counter : 0 - 1.4}*

Closing by Sponsor:

Rep. Hurdle closed by saying let's do the right thing. She thinks this is what the people of Montana want. This is certainly what our children need, and she urged to committee to give it a green light, get it to the floor, get it to the people, and go for it. *{Tape : 1; Side : B; Approx. Time Counter : 1.5 - 1.8}*

HEARING ON HB 494

Sponsor: REP. JEFF MANGAN, HD 45, Great Falls

Proponents: Dr. Julie Bullard, Early Childhood Higher Education Consortium
Kelly Rosenleaf, Pres., Mt. Child Care Resource & Referral Network
Janet Bush, Dir., Mt. Child Care Resource & Referral Network
Lisa TeBeau, Great Falls
Roger Wright, Great Falls

Charlene Chapman Madden, Missoula
Jinny Knight, Child Care Partnerships
Bill Kennedy, Yellowstone County Commissioner
Steve Yeakel, Mt. Council for Maternal & Child Health
Sharon Hoff-Brodowy, Mt. Catholic Conference

Opponents: None

Informational Witnesses: **Linda Fillinger, Early Childhood Services Bureau Chief**

Opening Statement by Sponsor:

REP. JEFF MANGAN, HD 45, Great Falls, said that this is a very simple appropriations bill. Child care dollars are very important to this state. One of his goals this year has been to stress the importance of quality child care to economic development. As Montanans gain employment, as new business develop and our work force expands, the need for quality child care is going to increase and the need for subsidized child care is going to increase. This bill simply asks for an appropriation of \$1.7 million, not a lot of money most years but this year it's quite a lot of money in the scope of our budget. That money will allow us to access \$3.7 million in federal child care dollars, for a total of \$5.4 million.**{Tape : 1; Side : B; Approx. Time Counter : 2.8 - 4.8}**

Proponents' Testimony:

Dr. Julie Bullard, Early Childhood Higher Education Consortium, is a member of the Early Childhood Task Force, that helps determine the child care needs in Montana. She addressed the need for the \$1.7 million. 20,000 Montana employees earn minimum wage or less. Montana ranks 49th in the nation for average annual pay. The Montana Job Gap Study found that the majority of jobs that were open or were new jobs paid \$6.00 an hour or less. A full-time employee who is paid minimum wage earns \$10,712. If they are paid \$6.00 an hour, they make \$12,480 per year. If that employee has one child, their child care is \$3,900. If they have two children, their child care bill is \$7,800. It is obvious that since many Montanans earn only minimum wage or up to \$6.00 an hour, they cannot afford child care. In some cases, that would be half of their take-home pay. If we want our FAIM initiative to be successful, and if we want the working poor to be able to continue to work, we need to continue to provide subsidized child care. Between 10/99 and 9/00, 7,189 families with 12,152 children were assisted with child care through the sliding fee scale. If the extra \$1.7 million were received, and the resulting federal matching funds, many more children could be

served. If the money is not received, it is predicted that in the first year of the biennium, there would be 1,818 children on the waiting list for the sliding fee scale, and 2,444 children in the second year of the biennium. It is critical that children be placed in quality child care environments so that long-term outcomes will be positive rather than negative, according to numerous studies. She urges support of the \$1.7 million for quality care now and as a way of investing in our future. **EXHIBIT (huh35a03)**

Kelly Rosenleaf, Pres., Mt. Child Care Resource & Referral Network, an organization of 12 organizations throughout the state that provide services to childcare providers and families, said they are concerned about the quality of child care available, about the compensation of child care providers and about the accessibility of child care for low income families throughout the state. They serve primarily working families but also families who are on public assistance and making the transition from welfare to work. TANF transfer funds are already being used for the program, as excess funds were transferred when the welfare caseload went down. Otherwise, they would have a waiting list for the sliding fee scale child care services. It is heartbreaking to offer services to families and then to put them on a waiting list. The provider grant and provider education piece of this money is very important in helping providers obtain the required training in order to be licensed and to help them provide quality care. The funding also supports child care licensing initiatives throughout the state and visitation of child care facilities to make sure that basic health and safety is maintained.

Janet Bush, Dir., Mt. Child Care Resource & Referral Network, who chairs the statewide Early Childhood Advisory Council, said that both of these groups support this bill. Childcare affects economic development. They analyzed employers of folks who used the child care payment assistance programs, and found that almost half of them were in the growth industries of hospitality, health care or retail. These industries employ largely female work forces, often at low wage entry-level positions. Child-care related reasons contributed to large turnovers, absences from work and other problems in these industries that resulted in money losses for employers. The council has been working with employers on ways to meet child care needs so they will not have to incur such costs. **EXHIBIT (huh35a04)**

Lisa TeBeau, Great Falls, said she is a single mother who desperately relies on the day care subsidy. Without help with child care, she could not afford to work. **EXHIBIT (huh35a05)**
EXHIBIT (huh35a06)

Roger Wright, Great Falls, and his wife own and operate a child care facility center. They are the balancing act between the funding for the child care assistance or scholarships and private enterprise. They have to pay their teachers enough money so they will stay and provide continued, constant care for children. Yet, there's not enough money from the other side, which would include the private sector as well as child care assistance programs. The combination of these is how they pay their teachers. Approximately 45 percent of the child care in their facility is supported through child care assistance programs. Children receive the same quality care, whether their parents are doctors or lawyers or on child care scholarship programs. Quality care is an important issue, and they want to continue to make that a continuum for their teachers. It is difficult to do that if any of the funding falls away from this particular bill, because they'd have to compensate with private sector people, which is much more difficult to do.

Charlene Chapman Madden, Missoula, has been a director of child care facilities for the last 25 years. Her program was founded on the philosophy that it would serve children representing the entire scope of the Missoula community, and they have done that for the entire 25 years. In the earlier years, she averaged 25-30 percent children of low-income families. During the last few years, that percentage has gone to about 40 percent. In the earlier years, more families were on welfare and in parenting classes or job training programs, or were university student parents. At this time, far more of her clientele are working mothers who are in low-paying jobs and couldn't afford the child care program on their own. A risk of serving low-income families has been whether the child care provider will be paid, and the block grant and subsidy programs have provided stability of income for the providers. She wants her program to be growing, changing and responding to the needs of Montana families. An example of this is her expansion of the infant program during the last few years. It is satisfying and challenging to serve the families who participate in the subsidy program. The merit pay program for child care providers is important for training teachers to better provide services and education. This is a wise investment. She would also like to see more investment in licensing. Now the licensing social workers spent too much time in clerical duties when they should be in the field, visiting centers, providing training, and responding to complaints and questions. She hopes the expanded dollars could help in this area. **{Tape : 1; Side : B; Approx. Time Counter : 5.1 - 28.6}**

Jinny Knight, Child Care Partnerships, Helena's resource and referral agency, urges support of the bill for all of the previously stated reasons. **EXHIBIT(huh35a07) EXHIBIT(huh35a08)**

Bill Kennedy, Yellowstone County Commissioner, who serves on the State FAIM Advisory Board and the State Child Care Advisory Board, asked for a do pass on the bill.

Steve Yeakel, Mt. Council for Maternal & Child Health, said that a source of revenue has been found for this bill, and the council hopes the committee will support it.

Sharon Hoff-Brodowy, Mt. Catholic Conference, supports the bill. {Tape : 2; Side : A; Approx. Time Counter : 0 - 0.9}

Opponents' Testimony: None

Informational Testimony:

Linda Fillinger, Early Childhood Services Bureau Chief, distributed a spread sheet showing the general fund matching funds, and the amount that would not be funded and the numbers of children who would not be served if the bill did not pass. **EXHIBIT** (huh35a09) {Tape : 2; Side : A; Approx. Time Counter : 1.2 - 2.1}

Questions from Committee Members and Responses:

Rep. Dell asked **Steve Yeakel** what the revenue source was for the bill that he had referred to in his testimony. **Mr. Yeakel** said nothing is a lead-pipe cinch in the funding system of state government, but the Joint Appropriations Subcommittee has asked the Human & Community Services Division to reformulate its strategy regarding the use of TANF block grant funds. The Division has prepared proposals for use of the TANF money within the coming biennium. The list of priorities they established includes a reference to the \$1.7 million in general fund that has been previously talked about by various groups for child care use. **Rep. Dell** asked the sponsor how that would affect his bill in terms of appropriations. **Rep. Mangan** said that was news to him, and it is fantastic news. He would have to talk with the folks involved to see where to go with the bill. Many people have been working for a long time to locate this appropriation, in whatever form, because it is so vital.

Rep. Facey asked **Hank Hudson** if he should congratulate him for finding this funding source. **Mr. Hudson** said he would clarify what happened in the Appropriations Subcommittee. They had asked him to go back and find \$1.7 million in the department budget and come back on Wed. to let them know if it could be found within the general fund money. They are looking for it now, but he didn't want to create false expectations that they would find it. **Rep. Facey**

asked **Kelly Rosenleaf** what would happen to her clients if this money can't be found. **Ms. Rosenleaf** said they presently serve 11 percent of the eligible population. Some people who are eligible income-wise do not need child care because they have other arrangements. Many people who are eligible are not being served. When there is a waiting list for services, the state has rules established for priorities. Teen mothers in high school receive the first priority, followed by families with full-time jobs, families with part-time jobs, and families in school. Most people do not go off the program because of income, they go off it when their children go to school. **Rep. Facey** asked if there is presently a waiting list. **Ms. Rosenleaf** said there is no waiting list at this time. She anticipates that without increased funding, they would have a waiting list in less than a year.

Rep. Lee asked the sponsor if there is any way that we can absolutely guarantee that this will go for services and not for infrastructure. **Rep. Mangan** said it is his understanding that the money has to go for the match. He did not think it would be used to build anything, but some percentage would probably be used for administrative costs. **Linda Fillinger** said that there is a five percent administrative cap on the program. There is a category called services support, which goes for resource and referral services and for eligibility determination; so there already is a federal mandated administrative cap. This money would go primarily for direct services to families, but additionally there is a four percent minimum requirement in the federal block grant that funding go for quality of child care. Over the past few years this money has largely gone to child care providers in the form of direct grants to support start up or expansion, or for quality enhancement of programs. **Rep. Lee** asked if they are at the maximum cap now for administrative expenses in this particular infrastructure. **Ms. Fillinger** said they are at a five percent administration cap. Two percent goes for direct administration in the Early Childhood Services Bureau, two percent goes for indirect charges, and one percent goes to support the licensing function in the Quality Assurance Division. **Rep. Lee** asked if they have already hit the cap for the money budgeted for the next biennium. **Ms. Fillinger** said that is correct.

Rep. Noennig asked the sponsor if this was in HB 2 and if not, why not. **Rep. Mangan** referred the question to **Hank Hudson**, who said it was one of the Division's priorities when they put together the executive budget. That request was whittled down and out and did not make it into the executive budget. That request has now been put into this bill. **Rep. Noennig** asked why there would be a need for this bill if the division had found the money. **Mr. Hudson** said he was not at the hearing to support this bill, because he supports the exec about, because if they found it, would probably go towards

their supplemental, then this bill wouldn't be necessary. If the bill arrived at the Appropriations Committee at the same time the Division was finishing their efforts to find money, he supposes it would be offset by whatever they found. **{Tape : 2; Side : A; Approx. Time Counter : 2.3 - 15.2}**

Closing by Sponsor:

Rep. Mangan expressed thanks to the witnesses. He said last year he had spent \$4700 in child care expenses for one child. That's a lot of money. A person earning \$11,000 a year and having to pay this much for child care would have to cut expenditures somewhere, such as food or utilities. Families are doing the same budgeting the legislators are doing, only with smaller numbers. They are expected to work since we no longer have welfare as we once knew it. People can't be expected to work and spend that kind of money on child care without assistance. He urged the committee to pass the bill and send it to Appropriations. **{Tape : 2; Side : A; Approx. Time Counter : 15.2 - 21.7}** utive budget, that is his job. If the division can find the \$1.7, which he isn't optimistic

HEARING ON HB 486

Sponsor: REP. JOEY JAYNE, HD 73, Arlee

Proponents: Sen. Chris Christiaens, SD 23, Great Falls
Bobbie Jean Curtis, MSFAPA, Great Falls
Erin Bonine, MSFAPA, Great Falls
Bill Kennedy, Yellowstone County Commissioner
Jane Jelinski, Mt. Assn. of Counties
Steve Yeakel, Mt. Council for Maternal & Child Health
Sharon Hoff-Brodowy, Mt. Catholic Conference
Twila Costigan, MSFAPA
Colleen Murphy, Ex. Dir., Mt. Chapter, NASW

Opponents: None

Informational Witnesses: Chuck Hunter, Admin., Child & Family Services Division

Opening Statement by Sponsor:

REP. JOEY JAYNE, HD 73, Arlee, said that HB 486 would revise foster care services eligible for payments to include clothing, diapers, transportation and placement allowances. The measure also requires the Dept. of Public Health and Human Services to keep a list of respite care providers as a resource for foster parents and to

provide youth care facilities with information about a foster child's HIV or AIDS status, if it has the information and if the facility certifies that it is subject to the provisions of confidentiality. Society has an obligation to protect its children from abuse and neglect. Laws have been enacted establishing programs to protect children, including providing temporary foster care when it is dangerous for the child to remain in the home. Recent trends indicate that foster care is far from temporary. Protecting children in foster care is a fundamental moral obligation of government. The best way to protect these children is to insure that there are safe havens available to them in the way of foster families, and adequate reimbursement must be provided to these families. **{Tape : 2; Side : A; Approx. Time Counter : 22.7 - 25}**

Proponents' Testimony:

Sen. Chris Christiaens, SD 23, Great Falls, who brought his foster child with him to the hearing, said he has worked with foster care for a number of years. He has had an interest in working with foster parents, who he thinks are the most wonderful people we have in our state. They are taking care of our most precious natural resources, our kids. These are the kids who have been taken from their permanent homes and placed on a temporary or pre-adoptive basis in someone else's home. We presently have about 2,100 of these children in Montana. Many of the foster parents are struggling to take care of the children's basic needs. To show the committee what a true foster parent has, he assigned foster children to committee members Reps. Fuchs, Thomas, Dell, Rice and Shockley, and gave them the actual amounts of money, which he had received from grants, that foster parents have to clothe the children. The items purchased would be allowed to stay with the children. This bill was also not included in the executive budget, but Montana cannot afford to not take proper care of the children that have been taken from their permanent homes. Some of the parents, who have the most difficult foster children, don't have an opportunity for respite, time away from the children for even a weekend. If a foster child is HIV-positive, the Department ought to inform the family so they can take necessary precautions to protect themselves and their families. With teens, particularly girls, many times the foster parents do not have the money to properly give them the personal hygiene items that they need. This bill would also allow that to happen. **{Tape : 2; Side : A; Approx. Time Counter : 25.4 - 30.5}**

Bobbie Jean Curtis, MSFAPA, Great Falls, has been a foster parent for over 30 years and began with the legislative process in 1975. She presented information on services for foster families from 1975

to the present. She presented "children" in the form of dolls to the committee members who had been designated to receive the children and the \$100 clothing grants, made them honorary foster parents, and requested them to take the dolls to the House floor with them as a means of providing information to other House members. HB 2 includes the body of the support services, while HB 486 provides new services, additions and changes. They are requesting a \$250 per year increase in the clothing allowance for children 0-12, a \$350 per year increase for clothing for children 13 and older, an increase of \$12.20 per month for special needs and transportation, a monthly increase of \$7.20 for diapers, and a 16 hour per month increase in respite hours, which are presently 111 per month.

EXHIBIT (huh35a10)

Erin Bonine, MSFAPA, Great Falls, has been a foster parent for five years, caring for 30 kids in that time. She and her husband specialize in high medical needs kids. For many parents, this bill may mean the difference between continuing with the experience they have gained or not. She introduced her foster son, William, who was born on October 31, addicted to methamphetamines, cocaine and marijuana. During the first weeks they had him, he suffered seizures, convulsions, withdrawals, and crying; but in the last few months under her care, he's done nothing but thrive.

Bill Kennedy, Yellowstone County Commissioner, would like to see the committee go forward with a do pass on this bill.

Jane Jelinski, Mt. Assn. of Counties, spoke in support of the bill for the association as well as for herself. Her mother had cared for foster children for 20 years. She had considered taking in foster children but determined that her family could not afford to do it, so they limited themselves to doing respite care.

Steve Yeakel, Mt. Council for Maternal & Child Health, said this has been a serious issue for a long time and he commends the committee's serious consideration of the bill.

Sharon Hoff-Brodowy, Mt. Catholic Conference, said this is a tough job for these folks, and she hopes the committee can support them.

Twila Costigan, Mt. State Foster & Adoptive Parents' Assn., said they support this bill and realize there is a big money tag on it, but reality is that it is a problem to find adoptive and foster parents in Montana. Part of the reason is that they are not adequately reimbursed for the money that they spend on their kids.

Colleen Murphy, Ex. Dir., Mt. Chapter of the Nat. Assn. of Social Workers, said they stand in support of this bill. Some of the behaviors that children exhibit when they come into foster care are

quite severe. This is a very tough job. These kids are difficult kids, and these parents deserve support and certainly need respite. **{Tape : 2; Side : B; Approx. Time Counter : 0.5 - 19.6}**

Opponents' Testimony: None

Informational Testimony:

Chuck Hunter, Administrator of the Child & Family Services Division, said this division is responsible for the child welfare program. The division had a very similar proposal that they put forward in their EPP process, requesting about \$1 million per year to increase the services for these families. It did not see the light of day in light of the huge number of proposals that were put forward in the department, but they certainly see the need for these services and for increases. The USDA does an annual survey to look at the costs of raising kids, and the average cost in this part of the country is about \$10,000. In terms of foster care support for these families, the state is putting out about \$6,000 per year. The division is in concurrence that these are necessary, useful and very beneficial services. They do have some concern as an agency because the bill strikes a couple of areas that talk about providing these services without limitation. It removes the language that says "subject to the appropriations that are available." As a bureaucrat with a budget, that concerns him a little bit, but doesn't diminish the belief that the services are needed and valid. **{Tape : 2; Side : B; Approx. Time Counter : 20.3 - 21.9}**

Questions from Committee Members and Responses:

Rep. Raser asked **Erin Bonine** to tell the committee about her other foster children. **Ms. Bonine** explained that she has had Trenton, age 2-1/2, since he was 8 months old, and he suffers from severe asthma; Rebecca, who has been with her for 4-1/2 years, since age 22 months, has severe health and behavioral problems that are gradually improving; and Rebecca's brother Darrin, when he was brought into foster care at age 3, was the angriest child she had ever seen. He was addicted to meth at birth and has learning disabilities and behavioral problems, but is improving with time. **Ms. Bonine** described some of the other foster children she had cared for, and their various time-demanding problems. **{Tape : 2; Side : B; Approx. Time Counter : 22 - 28.4}**

Closing by Sponsor:

Rep. Jayne listed the major points that are included in the bill, saying that it quantifies the requirements for respite care; requires that the department pay room and board, clothing and so forth, from the date of placement of a child and not later; it expands the payment of clothing to include seasonal wardrobe, school wardrobe, and age and sex-appropriate hygiene needs; requires a minimum of \$750 per year for age 13 to 18 and a minimum of \$650 for children ages 12 and under; a diaper allowance for a minimum of \$45 per month for children 4 years of age and under; placement allowance of a minimum of \$150; actual transportation costs; HIV information be given to foster parents; respite care be provided for an additional 16 hours per month; respite care be provided for special needs; the department would provide a roster of respite care providers for quicker and more appropriate access to respite care. She urged a do pass on the bill. **{Tape : 3; Side : A; Approx. Time Counter : 0 - 2.7}**

EXECUTIVE ACTION ON HB 352

{Tape : 3; Side : A; Approx. Time Counter : 3.7 - 15}

Motion: REP. RIPLEY moved that HB 352 DO PASS.

Motion/Vote: REP. THOMAS moved that HB 352 BE AMENDED. Motion carried unanimously. **EXHIBIT**(huh35a11)

Motion: REP. FUCHS moved that HB 352 DO PASS AS AMENDED.

Discussion: Rep. Noennig urged the committee to vote no on the bill, because what it attempts to do is already in the law. When he had questioned the sponsor, he acknowledged there never had been anyone who had challenged whether or not this was the law. This bill says there is interest payable on a child support judgment, but the law is that there is interest payable on any judgment, at the contract rate or 10 percent. In order to be consistent, if we were going to do this, we'd need to go through every statute that calls for a judgment and add a provisions that says, and by the way, you get interest on that judgment, the same as you do in Section 25-9-205. Rep. Lee urged support of the bill. She both pays and receives child support. When a child support order is established through the Child Support Enforcement Division, the parties are not informed that they can have interest. Judgments of a court are different and child support orders from a court are different; however, an administrative order is not handled in the same manner and that's why this bill is necessary. Rep. Esp asked Rep. Noennig if an administrative order was somehow different than

a court judgment. He said yes, an administrative order is an order enforcing the amount of delinquent child support that has already been adjudicated to be due by a judge. **Rep. Dell** asked **Rep. Noennig** for clarification, saying it seems like it may marginally make it easier to tack onto an order, but it won't increase the number of custodians that are stuck with a deadbeat parent. **Rep. Noennig** said he wasn't sure what the bill's intent is, but all it says is that it's subject to interest. If the intention is to notify people who are obtaining child support that they have a right to claim interest, that's what the bill ought to say. **Rep. Dell** said he had tried to help a constituent get unpaid support, and it's difficult. He doesn't think this bill gets to the fundamental problem. It would take major amendments to the bill and it would probably not achieve what it's intended to achieve. **Rep. Jent** said the bill is superfluous. There is a problem with the Child Support Enforcement Division, and he is working on something. This bill isn't the way to solve it and doesn't do anything.

Motion/Vote: **REP. NOENNIG** moved that **HB 352 BE TABLED**. Motion carried 13-5 with **Facey, Fuchs, Lee, Newman, and Raser** voting no.

EXECUTIVE ACTION ON HB 337

Motion: **REP. RASER** moved that **HB 337 DO PASS**.

Discussion: **Rep. Fuchs** said he would speak against the bill, mainly because of the fiscal note. Rep. Forrester has another bill that lowers the income tax rate from 11 percent to 7 percent, which will cost the state about \$130 million. If we do that, and looking at this fiscal note, we'll be in a serious problem.

Motion: **REP. FACEY** moved that **HB 337 BE AMENDED. EXHIBIT(huh35a12)**

Discussion: **Rep. Facey** said this amendment directs the state department to submit a plan to amend our state medicaid plan so that families with incomes up to 200 percent of the federal poverty level would be qualified for medicaid. He understands it would increase the fiscal note a bit, but Montana could get some federal matching funds for it. In most of these situations, the state ends up paying the bill in some way or the other, usually in increased premium costs in our hospitals. **Rep. Noennig** asked **Rep. Facey** to go over the amendments again and explain how they change the bill. **Rep. Facey** said the federal government sets out basic guidelines for medicaid programs, outlining who can be covered, services provided and the application process. Before a state can receive federal money, it must submit a state medicaid plan. In the bill, it has 200 percent, so the state amends its state medicaid plan. It directs DPHHS to change its plan to tell the feds how our new plan

will work with the 200 percent. **Rep. Noennig** asked if this is something the sponsor agrees with. **Rep. Facey** said he's indifferent about this amendment. **Rep. Noennig** asked **Rep. Facey** how this came to his attention that this was something that needed to be done. **Rep. Facey** said he was asked by a constituency group to do it. **Rep. Noennig** asked which constituency group had requested it. **Rep. Facey** replied, WEEL. **Rep. Facey** called for the question on the amendments.

Motion/Vote: **REP. FACEY** moved that **AMENDMENTS TO HB 337 BE ADOPTED**. **Motion failed 6-12 with Brown, Dell, Esp, Himmelberger, Noennig, Rice, Ripley, Schmidt, Schrumpf, Shockley, Thomas, and Whitaker voting no.**

Rep. Facey offered a conceptual amendment, referring to page 2, line 4, the crossed out words "and resources, treatment of resources and non-financial criteria," and page 4, lines 28, 29 and 30, "and those family resources do not exceed the standards of the department to determine if it is feasible for the purposes of the program." He said that if his conceptual amendment is accepted, it would strip this bill of any new language and leave only the language which he pointed out. In essence, this relieves the department from the assets test it must use now, which is that a family can have a car, a house and \$3,000 of valuables. The amendment would reduce the bill to directing DPHHS not to apply the assets test to people applying for medicaid.

Rep. Lee spoke against the conceptual amendment, because the medicaid assets test is in a Senate bill. If everything holds, the assets test is gone. **Rep. Facey** withdrew his amendment.

Rep. Raser expressed her support of the bill. The state pays in some way for the health care of low-income Montanans who do not have health insurance. We have an obligation to take care of the people who do not have the resources to take care of themselves. With this bill, we are able to triple our money through the federal government. **Rep. Shockley** called for the question.

Motion/Vote: **REP. RASER** moved that **HB 337 DO PASS**. **Motion failed 6-12 with Brown, Dell, Esp, Fuchs, Himmelberger, Noennig, Rice, Ripley, Schrumpf, Shockley, Thomas, and Whitaker voting no.**

Motion/Vote: **REP. FACEY** moved that **HB 337 BE TABLED**. **Motion carried 12-6 with Facey, Jent, Lee, Newman, Raser, and Schmidt voting no.** {Tape : 3; Side : A; Approx. Time Counter : 15.8 - 30}

EXECUTIVE ACTION ON HB 478

Motion: REP. JENT moved that HB 478 DO PASS.

Motion/Vote: REP. LEE moved that HB 478 BE TABLED. Motion carried 11-7 with Brown, Esp, Fuchs, Newman, Rice, Schrumpf, and Shockley voting no. {Tape : 3; Side : B; Approx. Time Counter : 0 - 2.1}

EXECUTIVE ACTION ON HB 344

Motion/Vote: REP. JENT moved that HB 344 DO PASS. After discussion, Rep. Jent called for the question. Motion carried 17-1 with Esp voting aye. {Tape : 3; Side : B; Approx. Time Counter : 3.9 - 9.9}

ADJOURNMENT

Adjournment: 6:15 P.M.

REP. BILL THOMAS, Chairman

PATI O'REILLY, Secretary

BT/PO/JB
Jan Brown transcribed these minutes

EXHIBIT (huh35aad)